



## STATE OF CONNECTICUT NEWS RELEASE

Consumer Counsel Mary J. Healey

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### **OCC PROPOSED RATE DECREASE APPROVED IN DPUC DRAFT DECISION**

(June 15, 2009-New Britain) - Today, the Department of Public Utility Control (DPUC) issued a Draft Decision in a rate case for the Connecticut Natural Gas Corporation (CNG) (Docket No. 08-12-06), preliminarily affirming a CNG rate decrease as proposed by the Connecticut Office of Consumer Counsel (OCC). While the preliminary rate reduction of \$16.8 million is less than the \$19.2 million rate reduction recommended by the OCC, it is in sharp contrast to the Company's proposed rate increase of \$7.4 million. The OCC is pleased with this aspect of the DPUC's Draft Decision and is hopeful that it will be adopted as a final decision .

Many of the major areas of adjustment to CNG's Application contained in the DPUC Draft Decision are consistent with those recommended by the OCC in its Brief and its expert witness testimony. These include: reducing the allowed return on equity to 8.93%; reducing expenses associated with payroll, pension and post-retirement benefits; incentive compensation and employee benefits; depreciation; rate case; working capital; and bad debt expense.

Consistent with OCC's recommendations, the DPUC's draft decision appropriately controls CNG's spending, especially during this economic downfall when ratepayers are struggling to pay their bills. Instead of raising rates to have ratepayers fund an acceleration of its capital expenditures, CNG will have to tighten its belt and stay within a limited and less costly construction budget during these difficult financial times.

Consumer Counsel Mary Healey said "We are pleased that the DPUC agreed with our assessment that a rate decrease, rather than a rate increase is appropriate for CNG. Now is the time for the Company to do more with less and to do whatever is necessary to ride out this difficult economic storm."

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*The Office of Consumer Counsel (OCC) is the State of Connecticut's advocate for all utility ratepayers. OCC seeks to ensure just and reasonable rates and reliable utility service for customers of Connecticut's electric, gas, telephone, and water utilities and reasonable protection for cable television customers. For more information, visit [www.ct.gov/occ](http://www.ct.gov/occ).*